

MAY 12, 1980

THE DIRECTOR OF THE DIVISION OF STATE LANDS TOOK FORMAL ACTION ON MAY 12, 1980 AT 10:00 A.M. IN THE STATE LAND OFFICE, ROOM 411, EMPIRE BUILDING, 231 EAST 400 SOUTH, SALT LAKE CITY, UTAH 84111, ON THE BELOW LISTED MINERAL AND SURFACE BUSINESS MATTERS AS INDICATED.

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OIL, GAS & HYDROCARBON MINERAL LEASE APPLICATIONS - REJECTED *JB*

Upon recommendation of Mr. Blake, the Director rejected the Oil, Gas and Hydrocarbon lease applications listed below and ordered the refund of the advance rental to the applicant. The filing fee is forfeited to the State.

Mineral Lease Appl. No. 38180	T17S, R7W, SLM	Millard
Thomas Boyd	Section 3: West 30 acres	30.00 acres
P.O. Box 3144	of Lot 4	
Casper, WY 82602	REFUND: \$30.00	
Rejected: sold under contract of Sale S-494, with no minerals reserved.		

Mineral Lease Appl. No. 38176	T15S, R5W, SLM	Millard
Thomas Boyd	Section 2: $N\frac{1}{2}NW\frac{1}{4}SE\frac{1}{4}, S\frac{1}{2}SE\frac{1}{4}$	100.00 acres
P.O. Box 3144		
Casper, WY 82602	REFUND: \$100.00	
Rejected: sold to Central Utah Water Co. by deed dated 2/17/32 - No minerals reserved.		

CORRECTION OF DIRECTOR'S MINUTES -- APRIL 14, 1980 *JB*

The Director's minutes of April 14, 1980, page 16, Mineral lease Application No. 38069, submitted by Transocean Oil, Inc., rejected. This MLA number should be 38089; on page 17, Mineral lease Application No. 38102, submitted by Transocean Oil, Inc. on T17S, R13W, Secs 16, 32, 36: All, rejected, should be corrected to read MLA 38103; and on page 15, Mineral Lease Application No. 38075 indicated that this MLA was rejected because of conflict with ML 38075, and should be corrected to be conflict with 37772. Upon recommendation of Mr. Blake, the Director approved these corrections.

CORRECTION OF MINUTES - MARCH 24, 1980, *JB*

.....MLA 37817  
On the minutes of March 24, 1980, MLA 37817 OGH was described as follows:

MLA 37817	T25S, R16E, SLM	Millard
Joe Lyon, Jr.	Section 36: All	640.00 acres

The correct description is as follows:

MLA 37817	T25S, R16W, SLM	Millard
Joe Lyon, Jr.	Section 36: All	640.00 acres

Upon recommendation of Mr. Blake, the Director approved this correction.

ADOPTION OF NEW ROYALTY SCHEDULE *JB*

.....ML 34603 - Metalliferous Minerals  
Thomas E. Redd, lessee of the above numbered lease, has submitted a written request for adoption of the metalliferous minerals royalty rate adopted by the Land Board on April 9, 1980. In accordance with this request and upon recommendation of Mr. Blake, the Director approved the amendment of ML 34603 to include such new royalty rate in lieu of its present royalty Schedule A.

ACCEPTANCE OF BOND *JB*

.....ML 37281, ML 37354 - Metalliferous Minerals Min.  
Uranerz U.S.A., Inc. has submitted surety bond #863E8679 with the Travelers Indemnity Company as surety in the amount of \$5,000 to bond exploration operations on the above numbered leases. The bond appears in order and Upon recommendation of Mr. Blake, the Director accepted this bond to assure lessees compliance with the terms of the lease.

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ASSIGNMENTS OF MINERAL LEASESINTEREST ASSIGNMENT OF OIL, GAS AND HYDROCARBON LEASES

Upon recommendation of Mr. Prince, the Director approved the assignment of 21% interest in the Oil, Gas and Hydrocarbon leases listed below to Marshall Pipe & Supply Co., 325 North Dallas Bank Tower, 12900 Preston Road, Dallas, TX 75230 by Rimrock Mining, Inc., who reserves overriding royalty as indicated and subject to 3% previously reserved overriding royalty. The State assumes no responsibility in collecting or distributing overriding royalty.

LEASE OWNERSHIP: Rimrock Mining Inc.- 21%; Taurus Oil Inc.- 4%;  
Public Lands Exploration, Inc. - 75%

3% overriding royalty reserved and 3% previous	
ML 27219....T29S, R12E, Sec 36: All, 640.00	Wayne
ML 27956....T32S, R12E, Sec 2: All,	Garfield
ML 28068....T28S, R12E, Sec 32: N $\frac{1}{2}$ , SW $\frac{1}{4}$ , SE $\frac{1}{4}$	Wayne
ML 28069....T28S, R13E, Sec 16: All	Wayne

4.5% overriding royalty reserved and 3% previous	
ML 27953....T31S, R12E, Sec 16: All, 640.00 acres	Garfield
ML 27954....T31S, R12E, Sec 32: All, 640.00 acres	Garfield

Upon recommendation of Mr. Prince, the Director approved the assignment of 67% interest in the Oil, Gas and Hydrocarbon leases listed below to Marshall Pipe and Supply Co., 325 North Dallas Bank Tower, 12900 Preston Road, Dallas, TX 75230 by Public Lands Exploration, Inc., who reserves overriding royalty as indicated and 3% previously reserved overriding royalty. The State assumes no responsibility in collecting overriding royalty.

LEASE OWNERSHIP: Marshall Pipe & Supply Co. - 12%; Taurus Oil, Inc. - 4%  
Public Lands Exploration, Inc. - 75%

3% overriding royalty reserved and 3% previous	
ML 27219....T29S, R12E, Sec 36: All, 640.00 acres	Wayne
ML 27956....T32S, R12E, Sec 2: All,	Garfield
ML 28068....T28S, R12E, Sec 32: N $\frac{1}{2}$ , SW $\frac{1}{4}$ , SE $\frac{1}{4}$ , 640.00 acres	Wayne
ML 28069....T28S, R12E, Sec 16: All, 640.00 acres	Wayne

4 $\frac{1}{2}$ % overriding royalty reserved, 3% previous	
ML 27953....T31S, R12E, Sec 16: All, 640.00 acres	Garfield
ML 27954....T31S, R12E, Sec 32: All, 640.00 acres	Garfield

Upon recommendation of Mr. Prince, the Director approved the assignment of 88% interest in the Oil, Gas and Hydrocarbon leases listed below to Fairway Land Company, 1975 One Dallas Center, Dallas, TX 75201 by Marshall Pipe & Supply Co., No override, but subject to 7 $\frac{1}{2}$ % previously reserved. The State assumes no responsibility in collecting overriding royalty.

LEASE OWNERSHIP: Marshall Pipe & Supply Co. - 88%; Taurus Oil, Inc. - 4%  
Public Lands Exploraton, Inc. - 8%

ML 27953....T31S, R12E, Sec 16: All, 640.00 acres	Garfield
ML 27954....T31S, R12E, Sec 32: All, 640.00 acres	Garfield
ML 27955....T31S, R12E, Sec 36: All, 640.00 acres	Garfield

1 $\frac{1}{2}$ % overriding royalty reserved, 6% previous	
ML 28068....T28S, R12E, Sec 32: N $\frac{1}{2}$ , SW $\frac{1}{4}$ , SE $\frac{1}{4}$ , 640.00 acres	Wayne
ML 27219....T29S, R12E, Sec 36: All, 640.00 acres	Wayne
ML 27956....T32S, R12E, Sec 2: All, 650.16 acres	Garfield
ML 28069....T28S, R12E, Sec 16: All, 640.00 acres	Wayne

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INTEREST ASSIGNMENTS - OIL, GAS AND HYDROCARBON

Upon recommendation of Mr. Prince, the Director approved the assignment of 88% interest in the Oil, Gas and Hydrocarbon lease listed below to Marshall Pipe & Supply Co., 325 North Dallas Bank Tower, 12900 Preston Road, Dallas, TX 75230 by Rimrock Mining, Inc., who reserves 4.5% overriding royalty and subject to 3% previously reserved overriding royalty. The State assumes no responsibility in collecting or distributing overriding royalty.

LEASE OWNERSHIP: Rimrock Mining, Inc. - 88%; Taurus Oil, Inc. - 4%  
Public Lands Exploration, Inc. - 8%

ML 27955....T31S, R12E, Sec 36: A11, 640.00 acres Garfield

Upon recommendation of Mr. Prince, the Director approved the assignment of 50% interest in the Oil, Gas and Hydrocarbon leases listed below to Donald H. Harcourt, 800 Garden St., Santa Barbara, CA 93102 by Esdras K. Hartley, who reserves  $\frac{1}{2}$  of 1% overriding royalty. The State assumes no responsibility in collecting or distributing overriding royalty.

LEASE OWNERSHIP: Esdras K. Hartley

ML 31276....T30S, R2 $\frac{1}{2}$ W, Sec 36: A11, 640.00 acres Piute  
ML 31278....R31S, R2W, Sec 2: A11, Sec 16: W $\frac{1}{2}$ NE $\frac{1}{4}$ , SE $\frac{1}{4}$ NE $\frac{1}{4}$ , W $\frac{1}{2}$ , SE $\frac{1}{4}$ ,  
Sec 32, A11, 1884.27 acres Garfield

TOTAL ASSIGNMENT - METALLIFEROUS MINERALS LEASE

Upon recommendation of Mr. Prince, the Director approved the assignment of this Metalliferous Minerals lease to Exxon Corporation, c/o Exxon Minerals Co., USA, P.O. Box 120, Denver, CO 80201 by W.M. Bateman. No override. This is a corrective assignment to correct an error in the description of lands being assigned in the assignment dated December 19, 1979 and approved March 10, 1980.

LEASE OWNERSHIP: W. M. Bateman

ML 37251....T35S, R2E, Sec 10: NE $\frac{1}{4}$ SE $\frac{1}{4}$ , Sec 11: NW $\frac{1}{4}$ SW $\frac{1}{4}$   
Sec 16: NW $\frac{1}{4}$ NE $\frac{1}{4}$ , W $\frac{1}{2}$ , SE $\frac{1}{4}$ , SEcs 32,36: A11, 1,880.00 Garfield

STATEWIDE OIL AND GAS DRILLING BOND, CITIES SERVICE COMPANY

Cities Service Company has submitted to this office a Statewide oil and gas bond of lessee in the amount of \$25,000 to cover their operations on State of Utah oil and gas leases. This bond has Safeco Insurance Company of America, bond No. 603388-573, as surety.

This bond is in order, and upon recommendation of Mr. Prince, the Director accepted this bond to cover the operations of Cities Service Company.

REQUEST FOR RELEASE OF STATEWIDE OIL AND GAS DRILLING BOND  
PALMER OIL AND GAS COMPANY

On March 6, 1978, the Director accepted a Statewide oil and gas drilling bond from Palmer Oil and Gas Company to cover their operations on State lands. This bond had Aetna Casualty and Surety Company, bond No. 55S 11876 BCA, as surety.

Palmer Oil and Gas Company has now assigned their interests in the wells and leases they had on State lands to Tenneco Oil Company, and Tenneco Oil Company has a Statewide bond on file with this office; therefore, upon recommendation of Mr. Prince, the Director approved the relinquishment of Aetna Casualty and Surety's bond No. 55S 11876 BCA.

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EXPIRATION OF FOSSIL LEASE ML 26894

Fossil Lease ML 26894 has reached the end of its term and expired as of March 31, 1980. Upon recommendation of Mr. Prince, the Director approved the termination of this lease and offering the lands for lease by Simultaneous Bid.

ML 26894 W. Hugh Burnside Township 17 South, Range 13 West, SLM.  
Section 2: W $\frac{1}{2}$ SE $\frac{1}{4}$  80.00 acres

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REQUEST FOR APPROVAL OF THE HORN UNIT

Davis Oil Company, operator of the Horn Unit, has filed this unit for approval by the State of Utah.

The Horn Unit is located along the Utah-Colorado State line in San Juan County, Utah, and Montrose County, Colorado. This unit was previously approved by the State of Utah on November 29, 1979; however, Mr. L. C. Harris, Unit operator, was unable to commence the initial test well and unable to file the Unit Agreement with the U.S.G.S. within the 90-day time limit. Davis Oil Company as new Unit Operator proposes that the initial test well will be commenced and the Unit Agreement filed for U.S.G.S. approval within the next 90 days.

The unit contains 17,974.78 acres of which 16,994.97 or 94.54 percent are Federal lands and 979.81 acres or 5.46 percent are State of Utah lands. The unit agreement provides that the unit operator will, within six months after the effective date of the unit, commence the drilling of a well of a depth sufficient to test the La Sal member of the Hermosa Formation, but not to exceed a depth of 10,500 feet.

This unit is on the standard unit agreement form and contains all of the necessary State land provisions. The following are the State of Utah leases in this unit.

ML 34275 Mountain Fuel Supply Company  
ML 34636 L. C. Harris

These leases have been committed to this unit. Upon recommendation of Mr. Bonner, the Director approved this unit.

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CANCELLATION OF SPECIAL USE LEASE NO. 491

Nitrate Service Corporation, P.O. Box 36, American Fork, UT 84003 has submitted a request to cancel Special Use Lease No. 491. Upon recommendation of Mr. Higgins, the Director approved the cancellation of this SULA with the \$3,000.00 fee being refunded to Nitrate Service Corporation and the \$20.00 application fee being forfeited to the State.

RIGHT OF WAY APPLICATION APPROVED

Right of Way No. 1925

Nitrate Service Corporation, P.O. Box 36, American Fork, Utah 84003 has submitted an application for a right of way to provide a road easement across the following State land:

Township 6 South, Range 1 West, Salt Lake Base & Meridian  
Section 3: Utah County

The fee for this easement is 59.6 rods @ \$3.00/rd, totaling \$178.80; school fund, plus the \$20.00 application fee totaling \$198.80. Upon recommendation of Mr. Higgins, the Director approved this Right of Way.

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CORRECTION OF GRAZING FEES

*KWH*

Upon recommendation of Mr. Higgins, the Director approved the correction of grazing fees as listed below:

GL 21434  
O.J. Hansen & Sons  
Elsinore, UTah 84724

Grazing fee should be \$64.00 plus \$10.00 application fee totaling \$74.00.

GL 21464  
Division of Wildlife Resources  
1596 West North Temple  
SLC, UT 84116

Grazing fee should be \$176.66 plus \$10.00 application fee totaling \$186.66.

GL 21543  
Steve Gillmor  
1703 Harvard Avenue  
SLC, UT 84108

Grazing fee should be \$724.92 plus \$10.00 application fee totaling \$734.92.

GL 21544  
Mont Fitzgerald  
R.F.D.  
Delta, UT 84624

Grazing fee should be \$449.48 plus \$10.00 application fee totaling \$459.48.

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ASSIGNMENT OF CERTIFICATE OF SALE

*MMW*

C 24196 Portland Cement Company of Utah, 615 West 8th South,  
P.O. Box 1469, Salt Lake City, UT 84110 has submitted an assign-  
ment of C24196 to Louisiana Pacific Corporation, 22 Battery Street,  
Suite 404, San Francisco, CA 94111 on State land in Tooele County,

T2S, R6W, Sec 16: N $\frac{1}{2}$ SE $\frac{1}{4}$ , Lots 1,2, located in the S $\frac{1}{2}$ SE $\frac{1}{4}$  and  
Lot 3 located in the SE $\frac{1}{4}$ SW $\frac{1}{4}$ .

The Certificate of Sale was paid in full on February 11, 1980 and a Patent is to be issued to the Louisiana Pacific Corporation. Upon recommendaton of Mr. Wall, the Director approved this assignment.

RIGHT OF WAY APPLICATIONS

RIGHT OF ENTRY - APPROVED

*MMW*

R/W #1923 Banner Oil & Gas Ltd, Suite 3465, Anaconda Tower, 555 - 17th  
Street, Denver, Co. 80202 has submitted an application for a  
permit to conduct a vibroseis seismic survey across the  
following described State land in Daggett County, Utah:

T2N, R25E, SLB&M  
Section 2: E $\frac{1}{2}$

The initial fee is \$50.00, plus a \$20.00 application fee, which totals \$70.00. The expiration date is July 31, 1980. School fund. Upon recommendaton of Mr. Wall, the Director approved this Right of Entry.

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RIGHT OF WAY APPROVED

*ZBW*

R/W #1924 Utah Power & Light Company, 1407 West North Temple, P. O. Box 899, Salt Lake City, Utah 84110 requests an easement for a 12.5 KV distribution line across State land in Utah County as described herein:

A right of way 10 feet in width, being 5 feet on each side of the survey line:

T5S, R2W, SLB&M

Sec. 36: NE $\frac{1}{4}$ NE $\frac{1}{4}$ , S $\frac{1}{2}$ NE $\frac{1}{4}$ , W $\frac{1}{2}$ SE $\frac{1}{4}$ , SE $\frac{1}{4}$ SW $\frac{1}{4}$

T6S, R2W, SLB&M

Section 1: Lots 2 and 3; SE $\frac{1}{4}$ NW $\frac{1}{4}$

Section 11: E $\frac{1}{2}$ SW $\frac{1}{4}$

Utah County

Beginning on the north boundary line of the Grantor's land at a point 590 feet west, more or less, from the northeast corner of Section 36, T5S, R2W, SLB&M; thence S. 11°59' W 830 feet; more or less, thence S. 27°46' W. 2917 feet; thence S. 23°50' W. 993.1 feet; thence S. 41°03' W. 3949.2 feet; thence S. 36°28' W. 50 feet, more or less, to the south boundary line of said land and being in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ , S $\frac{1}{2}$ NE $\frac{1}{4}$ , the W $\frac{1}{2}$ SE $\frac{1}{4}$ , and the SE $\frac{1}{4}$ SW $\frac{1}{4}$  of said Section 36, and Lots 2 and 3 and the S $\frac{1}{2}$ NW $\frac{1}{4}$  of Section 1, T6S, R2W., SLB&M.

Beginning on the north boundary line of the Grantor's land at a point 2570 feet east, more or less, from the west one quarter corner of Section 11, T6S, R2W., SLB&M; thence S. 36°28' W. 2050 feet, more or less, to the west boundary line of said land and being in the E $\frac{1}{2}$ SW $\frac{1}{4}$  of said Section 1.

The initial fee is \$2610.88, plus a \$20.00 application fee, totaling \$2630.88. School fund. Upon recommendation of Mr. Wilcox, the Director approved this Right of Way.

GRAZING LEASE ASSIGNMENTS

*PBW*

Melvin and Rissa Staker have submitted grazing lease assignments on these grazing leases to Evan and Linda Muth, 1571 - 12th Road, Loma, Co. 81524:

GL 19977 T15S, R9E, Sec. 16  
GL 20236 T16S, R9E, Sec. 16  
GL 20513 T19S, R14E, Sec. 16  
T20S, R13E, Sec. 16  
T20 $\frac{1}{2}$ S, R13E, Sec. 16  
T20S, R12E, Sec. 16

Upon recommendation of Mr. Wilcox, the Director approved these grazing lease assignments.

GRAZING LEASE DELETION

*PBW*

GL 21383 Paul D. Redd, Paradox, Colorado 81429 has requested that the following described State land be deleted from his grazing lease No. 21383:

T26S, R25E, SLB&M

Section 32: A11

Grand and San Juan Counties

This section contains 640 acres and has been picked up under GL 21565.

Upon recommendation of Mr. Wilcox, the Director approved this grazing lease deletion.

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GRAZING LEASE ADDITION OF ACREAGE *PSW*

GL 21399      Lloyd Johnson, East Route, Monticello, UT 84535 has made a request  
                 to incorporate the following State land in his grazing lease  
                 No. 21399

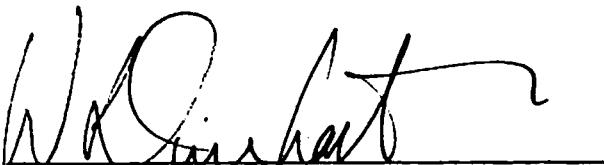
T35S, R17E, Sec 32: All,    640.00 acres                      San Juan County

The lease fee will be 8¢ per acre per annum for an additional rental of  
\$51.20 per annum for GL 21399. School fund. Upon recommendation of Mr.  
Wilcox, the Director approved this additional acreage for this grazing lease.

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<u>INTEREST RATES</u>	<i>PSW</i>	<u>CURRENT WEEK</u>	<u>YEAR AGO</u>
Prime Rate		17%	11.50%
Federal Funds		13-7/8%	7.49%
Discount Rate		13%	9.50%

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WILLIAM K. DINEHART, DIRECTOR  
DIVISION OF STATE LANDS

  
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VERNA A. PETERSEN, RECORDS SUPERVISOR

ARCHIVES APPROVAL NO. 7900209